

TENNESSEE GENERAL ASSEMBLY  
FISCAL REVIEW COMMITTEE



**FISCAL MEMORANDUM**

**SB 1973 – HB 2179**

February 16, 2018

**SUMMARY OF ORIGINAL BILL:** Defines a travel protection service provider as a service provider that coordinates and arranges all professional services that must be delivered prior to the transportation of a dead human body. Establishes that a contract between a purchaser of a pre-need funeral contract and a travel protection service provider is not a contract of insurance.

**FISCAL IMPACT OF ORIGINAL BILL:**

NOT SIGNIFICANT

**IMPACT TO COMMERCE OF ORIGINAL BILL:**

NOT SIGNIFICANT

**SUMMARY OF AMENDMENT (012798):** Deletes all language after the enacting clause such that the only substantive change is to establish that a contract excluded from the definition of a pre-need funeral contract is not a contract of insurance.

**FISCAL IMPACT OF BILL WITH PROPOSED AMENDMENT:**

**Unchanged from the original fiscal note.**

Assumptions for the bill as amended:

- Pursuant to Tenn. Code Ann. § 62-5-403(9)(A), a pre-need funeral contract includes any contract requiring the payment of money in advance for the final disposition of a dead human body, for funeral or burial services or for the furnishing of personal property or funeral or burial merchandise.
- Passage of this legislation would remove contracts excluded from the definition of a pre-need funeral contract from the trust requirements of pre-need funeral benefits.
- Pursuant to Tenn. Code Ann. § 62-5-405(a)(2), a pre-need seller must register with the Commissioner of the Department of Commerce and Insurance and pay a nonrefundable filing fee.

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- Passage of this legislation will not result in a change in the number of registrations and associated fee revenue and expenditures to the Board of Burial Services. This legislation will have no significant impact on the current responsibilities of the Burial Services Program.
- Pursuant to Tenn. Code Ann. § 4-29-121, all regulatory boards are required to be self-supporting over any two-year period. The Board of Burial Services experienced a surplus of \$196,879 in FY15-16, a surplus of \$161,588 in FY16-17, and had a cumulative reserve balance of \$1,000,103 on June 30, 2017.

## **IMPACT TO COMMERCE WITH PROPOSED AMENDMENT:**

**Unchanged from the original fiscal note.**

Assumption for the bill as amended:

- This legislation will have no significant impact on jobs or commerce in Tennessee.

## **CERTIFICATION:**

The information contained herein is true and correct to the best of my knowledge.



Krista M. Lee, Executive Director

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